

## **STATEMENT OF ATTY. FELIPE L. GOZON (*for himself and the Gozon Group*)**

We have not yet received Mr. Ramon S. Ang's complaint for syndicated estafa as reported in the newspapers and broadcast media. As GMA Network is a publicly listed company, we wish to make this statement at this time without prejudice to our formal response to the complaint:

### **On the Transaction and the Php 1 Billion Downpayment**

1. Sometime in late December 2013, Mr. Ang commenced talks with Mr. Menardo R. Jimenez and Atty. Felipe L. Gozon for the purchase of 34% of the outstanding capital stock of GMA Network, Inc. (the "Transaction") by Mr. Ang in his personal capacity. Mr. Ang offered to make a downpayment of Php 1 Billion but as Atty. Gozon was about to leave for a vacation then, he advised Mr. Ang that he would consider the matter after he returns from his trip.

After Atty. Gozon's return from his trip abroad, Atty. Gozon accepted the Php 1 Billion offered by Mr. Ang. A Letter of Intent and Confidentiality Agreement were signed and exchanged on January 20, 2014.

2. On February 26, 2014, or even before the Term Sheet was signed by the parties on June 23, 2014, Mr. Ang tendered to Atty. Gozon a Manager's Check for Php 1 Billion, which the latter accepted. In a letter dated February 26, 2014, Mr. Ang confirmed the money paid as Downpayment for the Transaction and the acceptance.
3. The Php 1 Billion remains in the custody of Atty. Gozon and has been deposited with a reputable universal bank, to answer for the damages that the Gozon Group has sustained by reason of Mr. Ang's violation of his obligation to negotiate in good faith, to execute and conclude the Transaction Documents, and close the Transaction pursuant to the Term Sheet dated June 23, 2014 among the parties. The bases of retention: the Gozon Group's right of retention under the Term Sheet (Item 8, third bullet point), and the Civil Code of the Philippines. As a consequence of Mr. Ang's violation of his obligations in law and in contract, the Gozon group has reserved its remedies.

### **Gozon Group - legitimate businessmen and professionals**

4. Atty. Gozon is the Chairman and CEO of GMA – a publicly listed company; Mrs. Florencia Gozon Tarriela is the Chairperson of the Philippine National Bank; Mr. Ismael Augusto S. Gozon is a Senior Vice-President of Philippine Air Lines; Atty. Edgar Tarriela is a managing partner of his law firm and former dean of the College of Law of the Pamantasan Ng Lungsod Ng Maynila; Ms. Annette M. Gozon-Abrogar is the President of GMA Films, Inc.; and Atty. Felipe M. Gozon Jr. is a Senior Associate of BELO, GOZON, ELMA, PAREL, ASUNCION & LUCILA LAW OFFICES, while the

others have their respective lawful businesses and professions. They are legitimate stockholders of GMA Network, Inc..

5. They are known as the Gozon Group only because they have authorized Atty. Gozon to negotiate and conclude the Transaction, on their behalf, pursuant to the Term Sheet.
6. The Gozon Group does not and did not solicit funds from the public, specifically any investment from Mr. Manuel V. Pangilinan of Metro Pacific Group of Companies, or from Mr. Ang himself. They do not offer to sell their shares to the general public. Atty. Gozon has consistently publicly stated that their shares are not for sale, but should there be interested parties, he is willing to listen to their offers.

#### **No Deceit or Fraud**

7. The Gozon Group did not defraud Mr. Ang. Neither did they misappropriate any “money contributed by stockholders, or members of rural banks, cooperative, ‘samahang nayon(s)’, or farmers association, or of funds solicited by corporations/associations from the general public” – an element of syndicated estafa.
8. No deceit was employed upon Mr. Ang. He dealt with the Gozon Group and the Jimenez Group throughout the negotiations with a full complement of lawyers (external and internal) and financial advisors (at least two of them from San Miguel Corporation). He freely signed the Term Sheet on June 23, 2014. His lawyers and financial advisors conducted due diligence on the company for several months after the signing of the Term Sheet, and negotiated each and every provision in the Share Purchase Agreement. Atty. Gozon in December 2014 and January of this year requested Mr. Ang for a face to face final meeting to thresh out the remaining issues that the parties’ advisors could not agree on, but Mr. Ang did not accept the request.
9. Mr. Ang’s advisors sent on February 27, 2015 their proposals on **all** the remaining open issues on the Share Purchase Agreement.
10. However, in an email of March 20, 2015, Mr. Ang informed the Gozon Group and the Jimenez Group that the funding support to him had been withdrawn claiming the long drawn negotiations, and that he needed to **reassess** the Transaction.
11. After the Gozon Group and the Jimenez Group had agreed to **all of the remaining proposals** of Mr. Ang as sent by his advisors on February 27, 2015 which agreement was conveyed in the Gozon and Jimenez Group’s counsel’s email on **March 21, 2015**, Mr. Ang informed them in an email of March 26, 2015 that he will not proceed with the Transaction raising certain issues about the company and called their attention to his email of March 20, 2015 on the withdrawal of the funding support to him.

12. In deference to Mr. Jimenez's request that he first clarify with Mr. Ang about the latter's emails, the Gozon Group and the Jimenez Group did not immediately reply to Mr. Ang's March 26, 2015 email.
13. The other document in the Term Sheet, i.e. the Shareholders Agreement had long been agreed upon by the parties, while in accommodation to Mr. Ang, the Sellers had agreed to dispense with the Escrow Agreement on the balance of the purchase price.

#### **No conversion or misappropriation of the Downpayment**

14. The Php 1B is intact and has not been used. The Gozon Group has the right to retain it to answer for its claims for damages against Mr. Ang among others for opportunity loss, pursuant to law and the Term Sheet, as Mr. Ang prevented the Transaction from conclusion and closing, by his **unilateral** decision not to proceed with the Transaction and his imposition of new conditions **after the purchase contract was perfected on March 21, 2015**. As there is a valid and just reason for the retention of the Downpayment, there is no estafa.

#### **Special Relations of Mr. Ang with the Jimenez Group and Duavit Group**

15. In several meetings among the Gozon Group (Atty. Gozon), Jimenez Group (Mr. Joel Marcelo Jimenez) and Duavit Group (Mr. Gilberto Duavit, Jr.), in the presence of their financial and legal advisors, they discussed the legal consequences of Mr. Ang's unilateral decision not to proceed with the Transaction as well as the remedies available to them.
16. While they agree with the letters of BGEPAL to the counsel of Mr. Ang, the Jimenez Group and Duavit Group have waived their rights and interests over their shares in the Downpayment, have expressed willingness to return such shares that may be due them, and did not want to participate in any dispute or litigation over the Downpayment. Atty. Gozon understands their special relationships with Mr. Ang.
17. In making the decision to retain the downpayment, Atty. Felipe L. Gozon did not consult with the other members of the Gozon Group. The said other members had no participation in the said decision.

August 5, 2015, Quezon City